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Financing of the United Nations Stabilization Mission in Haiti

Budget performance of the United Nations Stabilization Mission in Haiti for the period from 1 July 2016 to 30 June 2017

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2016/17	$345,926,700
Expenditure for 2016/17	$337,816,500
Unencumbered balance for 2016/17	$8,110,200
Apportionment for 2017/18	$90,000,000
Projected expenditure for 2017/18[a]	$89,999,400
Projected underexpenditure for 2017/18[a]	$600

[a] Estimates as at 28 February 2018.

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I. Introduction

1. During its consideration of the report of the Secretary-General on the budget performance of the United Nations Stabilization Mission in Haiti (MINUSTAH) for the period from 1 July 2016 to 30 June 2017 (A/72/689), the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 17 April 2018. The documents reviewed and those used for background information by the Committee are listed at the end of the present report. The comments and recommendations of the Committee on cross-cutting issues related to peacekeeping operations, including those pertaining to the findings and recommendations of the Board of Auditors on the United Nations peacekeeping operations for the period from 1 July 2016 to 30 June 2017, can be found in its related report (A/72/789). The main observations and recommendations of the Board pertaining specifically to MINUSTAH are discussed in paragraphs 12 to 17 below.

2. The mandate of MINUSTAH was established by the Security Council in its resolution 1542 (2004) and extended in subsequent resolutions. The mandate for the reporting period was provided by the Council in its resolutions 2243 (2015), 2313 (2016) and 2350 (2017). In that most recent resolution, the Council decided to close MINUSTAH by 15 October 2017 and to establish a successor mission, the United Nations Mission for Justice Support in Haiti (MINUJUSTH), under a new mandate.

II. Budget performance for the period from 1 July 2016 to 30 June 2017

3. In its resolution 70/276, the General Assembly appropriated an amount of $345,926,700 gross ($337,520,200 net) for the maintenance of MINUSTAH for the period from 1 July 2016 to 30 June 2017. Expenditures for the period totalled $337,816,500 gross ($329,500,000 net), reflecting a budget implementation rate of 97.7 per cent. The resulting unencumbered balance of $8,110,200, in gross terms, represents 2.3 per cent of the appropriation, reflecting the effect of lower-than-budgeted expenditures under: (a) military and police personnel ($2,394,200 or 1.4 per cent) and civilian personnel ($217,000 or 0.2 per cent), resulting mainly from higher actual vacancy rates; and (b) operational costs ($5,499,000 or 6.5 per cent) resulting from reduced requirements due to the gradual drawdown of personnel and closure of camps in preparation for the closure of the Mission. A detailed analysis of variances is provided in section IV of the report of the Secretary-General on the budget performance of the Mission for the period from 1 July 2016 to 30 June 2017 (A/72/689).

4. With regard to the Mission's vacancy rates, the Advisory Committee was provided, upon request, with details of actual vacancy rates from December 2015 to June 2016, the budgeted rates used for 2016/17 and actual average vacancy rates for 2016/17. That information is presented in table 1.

Table 1
Actual vacancy rates for December 2015–June 2016 and budgeted and actual vacancy rates for 2016/17
(Percentage)

	Military contingents	*United Nations police*	*Formed police units*	*International staff*	*National General Service*	*National Professional Officer*	*United Nations Volunteers*	*Government-provided personnel*
Actual vacancy rates								
December 2015	0.8	11.5	(3.6)	11.4	11.8	16.4	15.5	10.0
January 2016	0.7	20.3	(4.5)	13.1	11.1	14.1	19.0	10.0
February 2016	0.1	23.3	(3.3)	14.5	12.5	15.6	19.0	2.0
March 2016	0.2	28.7	(3.4)	16.0	13.1	15.6	21.6	4.0
April 2016	1.4	26.0	(3.5)	17.4	13.4	14.1	21.6	4.0
May 2016	0.5	25.9	(3.4)	14.8	13.8	14.1	19.0	0.0
June 2016	0.4	31.0	(3.9)	14.8	13.8	14.1	19.0	0.0
Rates used for 2016/17 approved budget	3.0	12.0	0.0	13.0	11.0	16.0	10.0	8.0
Actual average vacancy rates for 2016/17	8.0	21.6	(3.3)	11.3	10.3	12.9	14.9	18.0

5. The Advisory Committee notes that additional expenditures were incurred under group I, military and police personnel, for contingent-owned self-sustainment equipment and costs associated with freight and deployment of contingent-owned equipment. The report of the Secretary-General indicates that increased requirements were attributable primarily to the higher-than-anticipated reimbursement costs for contingent-owned self-sustainment equipment and the cost of freight for the repatriation of contingent-owned equipment, following the decision of the Security Council to close the Mission and replace it with a successor mission smaller in size and without a military component. The report indicates that freight costs were not provided for in the approved budget for the 2016/17 period (A/72/689, para. 34).

6. In addition, the Advisory Committee notes the overexpenditures incurred under group II, civilian personnel, due to increased requirements attributable to the higher-than-anticipated separation costs resulting from the gradual reduction of civilian personnel and national staff. **The Committee trusts that, based on this experience as well as that of the United Nations Operation in Côte d'Ivoire (UNOCI) and the United Nations Mission in Liberia (UNMIL), the Organization will assess trends and patterns of expenditure associated with separation costs in liquidating missions.**

7. Higher-than-anticipated expenditures were also incurred under group II, civilian personnel, for general temporary assistance, and under group III, operational costs, for official travel (non-training), alteration and renovation services, air operations, and acquisition of communications and information technology equipment.

8. In his report, the Secretary-General indicates that some overexpenditures were due to external factors such as Hurricane Matthew and the delay in elections. Upon request, the Advisory Committee was provided with a breakdown in estimated expenditures related to these external factors, as shown in table 2. The Committee was informed that an additional 419 flying hours for helicopters were required, while 258 fewer hours were required for the fixed-wing aircraft, resulting in the increased requirements for air operations ($1,704,300). The Committee was further informed that, given the net increase in flying hours, the resource requirements for fuel also increased by approximately $299,500.

Table 2
Estimated expenditures related to Hurricane Matthew and the delay in elections
(Thousands of United States dollars)

Class of expenditure	*Apportionment*	*Expenditure*	*Variance*	*Breakdown of the variance*			*Total*
				Hurricane Matthew	*Delay in elections*	*Other*	
General temporary assistance	–	1 089.3	(1 089.3)	–	(1 089.3)	–	(1 089.3)
Official travel (non-training)	2 159.0	3 379.1	(1 220.1)	(499.0)	(356.9)	(364.2)	(1 220.1)
Alteration and renovation services	–	213.4	(213.4)	(82.9)	–	(130.5)	(213.4)
Air operations (petrol, oil and lubricants)	1 092.0	1 391.5	(299.5)	(68.9)	(230.6)	–	(299.5)
Air operations (helicopter rental and operations)	4 982.4	6 686.7	(1 704.3)	(392.0)	(1 312.3)	–	(1 704.3)
Acquisition of communications equipment	–	220.3	(220.3)	(25.2)	–	(195.1)	(220.3)
Acquisition of information technology equipment	–	594.7	(594.7)	(76.2)	–	(518.5)	(594.7)
Total	**8 233.4**	**13 575.0**	**(5 341.6)**	**(1 144.2)**	**(2 989.1)**	**(1 208.3)**	**(5 341.6)**

9. The Advisory Committee notes that, under certain budget lines, actual expenditures in the 2016/17 period diverged significantly from the levels foreseen in the budget. The Committee notes that, while certain expenses related to Hurricane Matthew and the delayed elections could not have been anticipated, other expenditures under certain budget lines diverged significantly from the level of the approved budget. **The Advisory Committee expects that the Secretariat will more closely analyse costing assumptions associated with closing missions to provide a more realistic budgeting methodology for future missions undergoing drawdown and liquidation (see also A/72/839 (UNMIL) and A/72/852 (UNOCI)).**

10. The Secretary-General indicates that the total unencumbered balance for the period from 1 July 2016 to 30 June 2017 is $8,110,200 and the total unliquidated obligations as at 30 June 2017 amount to $35,276,600. The report of the Secretary-General also indicates other revenue and adjustments for the period ended 30 June 2017 amounting to $6,272,200, from investment revenue ($622,900), other/miscellaneous revenue ($1,454,500) and cancellation of prior-period obligations ($4,194,800).

Matters pertaining to the report of the Board of Auditors

11. In considering the report of the Secretary-General on the budget performance of MINUSTAH, the Advisory Committee also had before it the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2017 (A/72/5 (Vol. II)).

12. The Board also indicated that the Department of Peacekeeping Operations and the Department of Field Support were conducting an after-action review of each mission's liquidation process to ensure that lessons learned and best practices are identified and shared with other peacekeeping missions that are in drawdown or liquidation phases. The after-action review covers four specific areas: (a) human resources separation and check-out; (b) archiving and record management; (c) disposal of assets; and (d) camp closure, with specific attention to environmental initiatives and challenges (ibid., chap. II, para. 481). The Board further indicated that

the Liquidation Manual was being revised and would include the guidelines for environmental clearance and handover of mission sites of liquidation and a template for the handover certificate for sites handed back to the host nation or landowner (ibid., paras. 487–491). The Advisory Committee makes additional observations and recommendations on the lessons learned from closing peacekeeping operations in its cross-cutting report on peacekeeping operations (A/72/789).

13. With respect to environmental management, the Board observed that the project team of the Rapid Environment and Climate Technical Assistance Facility conducted a review in June 2017 which pointed out the accumulation of hazardous material and solid waste and the need for improvement in housekeeping in MINUSTAH, as well as non-adherence to the provisions of the Mission's waste management policy/standard operating procedure on the collection of hazardous materials and their prompt disposal (A/72/5 (Vol. II), chap. II, para. 431). The Board recommended that the Administration remind missions to prevent soil contamination by applying the Rapid Environment and Climate Technical Assistance Facility recommendations to MINUJUSTH (ibid., para. 432). Upon enquiry, the Advisory Committee was informed that MINUJUSTH is currently implementing the relevant policies, which entails that all contaminated soil at the affected areas is removed and treated with chemical powder (caustic soda), hazardous material is segregated and incinerated, and others are safeguarded inside concrete pipes and cast by concrete.

14. Furthermore, the Board noted that more than 50 per cent of the generators in the Mission did not have meters, and therefore no assurance could be drawn as to power generation and fuel consumption in the Mission. The Board noted that the Mission had initiated action to address this in January 2017 but later stopped owing to uncertainties related to the closure of camps and other Mission locations (ibid., para. 445). Upon enquiry, the Advisory Committee was informed that the new mission, MINUJUSTH, would explore options for the use of solar energy as an alternative to diesel fuel and that its Environmental Management Unit was working in close collaboration with its Engineering Section to have meters installed on all United Nations-owned power generators.

15. The Board further noted that MINUSTAH did not maintain proper records of expired drugs and their disposal as stipulated in the standard operating procedures (ibid., para. 451). Upon enquiry, the Advisory Committee was informed that MINUJUSTH had implemented procedures in line with the recommendation of the Board of Auditors to maintain proper records of expired drugs and their disposal.

16. Finally, the Board also noted that, of the 1,772 official trips in MINUSTAH, 1,407 were not compliant with the requirement that all travel arrangements be finalized 16 calendar days in advance of commencing official travel. In addition, 45 per cent of the non-compliant trips were conducted without justification, which should be provided by programme managers if travel cannot be finalized 16 calendar days in advance of the commencement of travel (ibid., table II.16). Upon enquiry, the Advisory Committee was informed that MINUJUSTH had prepared and sent out a mission information circular to remind Mission personnel of the advance booking stipulation and the requirement to justify any deviations from the policy. The Committee was further informed that the Mission Support Division had increased engagement with the Police Division, with a view to streamlining the deployment of individual police officers, which was anticipated to improve compliance with the policy.

17. **The Advisory Committee trusts that all outstanding recommendations of the Board of Auditors regarding MINUSTAH will be implemented by MINUJUSTH.**

18. Further comments of the Advisory Committee on the information presented in the budget performance report (A/72/689) can be found, where relevant, in the discussion of the current period in section III below.

III. Information on performance for the current period

19. In its resolution 71/302, the General Assembly authorized the Secretary-General to enter into commitments for the maintenance of the Mission in an amount not exceeding $90,000,000 for the period from 1 July to 31 December 2017 and decided to apportion that amount among Member States. The Committee was informed that, as at 28 February 2018, expenditures against that authority amounted to $87,113,000, or 96.8 per cent of the authorized limit. The Advisory Committee was informed that the available cash as at 12 March 2018 amounted to $8,992,000.

20. The Advisory Committee was informed that, as at 28 February 2018, a total of $7,733,201,000 had been assessed on Member States in respect of the Mission since its inception. Payments received as at the same date amounted to $7,665,236,000, leaving an outstanding balance of $67,965,000. **In this regard, the Committee recalls that the General Assembly has repeatedly urged all Member States to pay their assessed contributions on time, in full and without conditions (see, for example, General Assembly resolution 71/302).**

21. The Advisory Committee was also informed that, as at 28 February 2018, payments in the amount of $50,779,000 had been made to troop-contributing countries for standard troop reimbursement costs for the period from 1 January to 31 December 2017. The Committee was also informed that payments in the amount of $31,149,000 for the same period had been made for contingent-owned equipment reimbursements, but that claims in relation to the repatriation of contingent-owned equipment, including repainting of equipment, were still being processed to determine the final liability. The Committee was also informed that, with respect to death and disability compensation, an amount of $5,187,000 had been paid since the inception of the Mission in respect of 177 claims as at 28 February and no claims were pending.

Liquidation activities

22. The Advisory Committee was informed that liquidation activities were ongoing and should be completed by the end of June 2018. Upon enquiry, the Committee was informed that, for the liquidation of MINUSTAH, the follow-on mission, MINUJUSTH, leveraged the experience and best practices of the liquidation of UNOCI through engagement with the Policy, Evaluation and Training Division of the Department of Peacekeeping Operations, which carried out a visit to Haiti in this context. The Committee was also informed that the revision of the Liquidation Manual took account of the experience of the UNOCI liquidation. MINUSTAH also implemented the one-stop check-out process developed by UNOCI, enabling the separation of approximately 600 staff members over a two-week period. The Committee was also informed that the United Nations Logistics Base assisted the Mission with asset disposal in Haiti over a six-month duration.

23. With regard to staff drawdown, the Committee was informed upon enquiry that, as the closure of MINUSTAH had been anticipated since April 2017, all temporary and fixed-term contracts had been extended until the end of July 2017, in line with the drawdown plan. A first group of staff was separated on 31 July 2017, a second group on 31 August 2017 and a third group on 30 September 2017, and all remaining staff members, except those involved in the Mission liquidation, were separated on 15 October 2017. The Committee was further informed that, as the expiration of the appointment for staff with temporary and fixed-term contracts coincided with the end

of the mandate of the Mission, the main separation costs were related to entitlements for accrued annual leave and repatriation grants. The Committee was also informed that, for staff members with continuing or permanent contracts, the separation date was 15 October 2017 (or a few months after if the staff was part of the liquidation team) and that the Mission had requested the authorization to pay three months' compensation in lieu of notice plus termination indemnities, in line with staff regulation 9.3.

Education grant

24. Upon request, the Advisory Committee received information on the processing of education grants for MINUSTAH, which included in the check-out list for separating staff members a requirement to submit any pending education grant. The Committee was further informed that such claims were prorated according to the period of service of the staff member, in line with section 5.1 of the administrative instruction on education grant and special education grant for children with a disability (see ST/AI/2011/4/Amend.2) for staff who were separated before 1 January 2018, while section 6 of the administrative instruction on education grant and related benefits (ST/AI/2018/1) and section 8 of the instruction on special education grant and related benefit for children with a disability (ST/AI/2018/2) would apply to staff separating after 1 January 2018. **The Committee recommends that the General Assembly request the Secretary-General to strictly comply with the administrative instructions on the education grant and special education grant.**

25. **The Advisory Committee trusts that, in line with the recommendations of the Board of Auditors (see A/72/5 (Vol. II), chap. II, para. 473), the Secretariat will begin the future pre-liquidation processes at least nine months before a mission's physical closure. The Committee also trusts that updated financial information on potential outstanding liabilities from MINUSTAH will be provided to the General Assembly at the time of its consideration of the Secretary-General's final performance report.**

IV. Actions to be taken by the General Assembly

26. The action to be taken by the General Assembly regarding the budget performance report of MINUSTAH for the period from 1 July 2016 to 30 June 2017 is contained in paragraph 51 of the report of the Secretary-General. **The Advisory Committee recommends that the unencumbered balance of $8,110,200 for the period from 1 July 2016 to 30 June 2017, as well as other revenue and adjustments for the period ending June 2017 in the amount of $6,272,200, be credited to Member States in full and without delay.**

Documentation

- Report of the Secretary-General on the budget performance of the United Nations Stabilization Mission in Haiti for the period from 1 July 2016 to 30 June 2017 (A/72/689)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the budget performance for the period 1 July 2015 to 30 June 2016 and proposed budget for the period from 1 July 2017 to 30 June 2018 for the United Nations Stabilization Mission in Haiti (A/71/836/Add.12)

- Financial report and audited financial statements for the 12-month period from 1 July 2016 to 30 June 2017 and report of the Board of Auditors on United Nations peacekeeping operations (A/72/5 (Vol. II))
- Report of the Advisory Committee on Administrative and Budgetary Questions on observations and recommendations on cross-cutting issues related to peacekeeping operations (A/72/789)
- General Assembly resolutions 70/276 and 71/302
- Security Council resolutions 2243 (2015), 2313 (2016) and 2350 (2017)